

ENTERED

January 17, 2023

Nathan Ochsner, Clerk

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

COMPUTE NORTH HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-90273 (MI)

(Jointly Administered)

Re: Docket Nos. 91, 256, 766

**ORDER APPROVING REJECTION OF CERTAIN EXECUTORY
CONTRACTS OR UNEXPIRED LEASES AND ABANDONMENT OF PROPERTY IN
CONNECTION THEREWITH (CUSTOMER CONTRACTS)
SECOND NOTICE OF REJECTION**

Pursuant to and in accordance with the order of this Court entered on October 24, 2022 [Docket No. 256] (the “Rejection Procedures Order”)² entered in the chapter 11 cases of the above-captioned debtors and debtors in possession (collectively, the “Debtors”); and the Debtors having properly filed with this Court and served on the Rejection Notice Parties a notice (the “Rejection Notice”) of their intent to reject certain executory contracts (the “Rejected Contracts”) identified on **Exhibit 1** attached hereto in accordance with the terms of the Rejection Procedures Order; and such notice having been adequate and appropriate under the circumstances; and it appearing that no other or further notice need be provided; and no timely objections having been filed to the Rejection Notice; and the Court having found and determined that the relief

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Compute North Holdings, Inc. (4534); Compute North LLC (7185); CN Corpus Christi LLC (5551); CN Atoka LLC (4384); CN Big Spring LLC (4397); CN Colorado Bend LLC (4610); CN Developments LLC (2570); CN Equipment LLC (6885); CN King Mountain LLC (7190); CN Minden LLC (3722); CN Mining LLC (5223); CN Pledgor LLC (9871); Compute North Member LLC (8639); Compute North NC08 LLC (8069); Compute North NY09 LLC (5453); Compute North SD, LLC (1501); Compute North Texas LLC (1883); Compute North TX06 LLC (5921); and Compute North TX10 LLC (4238). The Debtors’ service address for the purposes of these chapter 11 cases is 7575 Corporate Way, Eden Prairie, Minnesota 55344.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Rejection Procedures Order.

requested is in the best interests of the Debtors, their estates, their creditors, and all parties in interest, and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Rejected Contracts identified on **Exhibit 1** attached hereto are hereby rejected as set forth herein, effective as of the Rejection Date set forth on **Exhibit 1** (the “Rejection Date”).

2. Effective as of the Removal Deadline (as defined below), any interests that the Debtors’ chapter 11 estates may have, including any security interests, in the cryptocurrency miners and related equipment (the “Customer Miners”) relating to the colocation and operation agreements between the Debtors and customers of the Debtors (the “Customers”) listed on **Exhibit 1** are deemed abandoned to the operator of the premises where the Customer Miners are located identified on **Exhibit 1** (each, a “Facility”). The Customers must remove the Customer Miners from the Facilities or otherwise arrange for the disposal of the Customer Miners, if any, by January 6, 2023 (the “Removal Deadline”).

3. If Customers fail to remove the Customer Miners by the Removal Deadline, the operator of the premises where the Customer Miners are located may exercise any remedies available to such operator of the premises under applicable law with respect to the Customer Miners located at the premises.

4. If any affected Customer to a Rejected Contract asserts a claim arising from the rejection of the Rejected Contract, the Customer shall submit a proof of claim against the applicable Debtor by the later of (a) the deadline fixed by the Bankruptcy Court to file general unsecured proofs of claim; or (b) thirty (30) days after the entry of the Rejection Order.

5. If a Customer does not timely file a proof of claim in accordance with the terms of the Rejection Procedures Order and this Order, the Counterparty shall not be treated as a creditor

with respect to such claims for voting on any chapter 11 plan in these Chapter 11 Cases and shall be forever barred from asserting claims for rejection damages and from participating in any distributions made in connection with these Chapter 11 Cases on account of such rejection damages.

6. Nothing herein shall reject any portion of the Rejected Contract that was partially assigned prior to the Petition Date.

7. Nothing herein shall prejudice the Debtors' rights to argue that any of the Rejected Contracts were terminated prior to the Petition Date, or that any claim for damages arising from the rejection of the Rejected Contracts is limited to the remedies available under any applicable termination provision of such Rejected Contract or that any such claim is an obligation of a third party, and not that of the Debtors or their estates.

8. Nothing contained in this Order, nor any payment made pursuant to the authority granted by this Order, is intended to be or shall be construed as: (a) an admission as to the validity of any claim against the Debtors, (b) a waiver or limitation of the Debtors' or any party in interest's rights to dispute the amount of, basis for, or validity of any claim, (c) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable nonbankruptcy law, (d) an agreement or obligation to pay any claims, (e) a waiver of any claims or causes of action which may exist against any creditor or interest holder, or (f) an approval, assumption, or adoption of any agreement, contract, lease, program, or policy under section 365 of the Bankruptcy Code.

9. For the avoidance of doubt, notwithstanding anything to the contrary contained herein, the Rejection Procedures Order or any notice, Foundry Digital LLC, its affiliates, predecessors, successors and assigns, and the representatives of any of the foregoing (collectively, the "Foundry Related Parties"), shall not have any obligations or liabilities relating to any of the

Rejection Contract counterparties, Customers, Customer Miners, other Customer equipment and/or Rejected Contracts (whether prior to, on or after any Removal Deadline, Rejection Date or otherwise), including any obligation relating to hosting, colocation, operation and/or maintenance of any of the Customer Miners and/or any other Customer equipment, and no Customer or Rejected Contract counterparty shall have any claims against any Foundry Related Party.

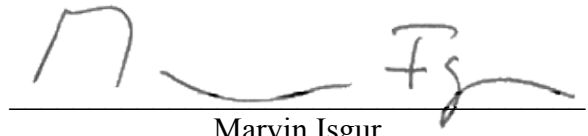
10. Notwithstanding entry of this Order, nothing herein shall create, nor is intended to create, any rights of or enhance the status of any claim by any party.

11. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry.

12. The Debtors are authorized to take all actions necessary to implement the relief granted in this Order.

13. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

Signed: January 17, 2023



Marvin Isgur
United States Bankruptcy Judge

Exhibit 1 to Rejection Order**List of Rejected Contracts**

Counterparty Name	Counterparty Notice Information	Contract	Debtor	Proposed Rejection Date	Facility Location of Customer Miners	Contact Party for the Operator of the Facility Location
Bit Digital USA, Inc.	Bit Digital USA, Inc. C/O Davidoff Hutcher & Citron LLP 120 Bloomingdale Rd, Ste 100 White Plains, NY 10605	Master Agreement, dated September 9, 2022 and Order Form	Compute North LLC	December 11, 2022	MVP Houston Warehouse; Big Spring	<u>Big Spring</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Angel Blanco ABlanco@foundrydigital.com 917-297-0080 <u>MVP</u> Tim Langfield TimL@mvpsip.com 651-447-7945
Bogus, Inc.	Bogus Inc Attn: Chris Bogenrief 400 Gold Circle Dakota Dunes, Sd 57049	Master Agreement, dated April 20, 2020 and Order Form	Compute North LLC	December 11, 2022	North Sioux City	<u>North Sioux City</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Ben Stoos ben.stoos@computenorth.com 712-223-9429
Exxtreme Mx LLC	Exxtreme Mx LLC 265 McCormick Dr Bohemia, Ny 11716	Master Agreement, dated March 18, 2021 and Order Forms	Compute North LLC	December 11, 2022	North Sioux City	<u>North Sioux City</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Ben Stoos ben.stoos@computenorth.com

Counterparty Name	Counterparty Notice Information	Contract	Debtor	Proposed Rejection Date	Facility Location of Customer Miners	Contact Party for the Operator of the Facility Location
						712-223-9429
GEM Mining 1 LLC	GEM Mining 1 LLC 550 S Main St. Suite 310 Greenville, SC 29601	Master Agreement, dated March 8, 2021 and Order Form	Compute North LLC	December 11, 2022	MVP Houston Warehouse; North Sioux City	<u>North Sioux City</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Ben Stoos ben.stoos@computenorth.com 712-223-9429 <u>MVP</u> Tim Langfield TimL@mvpsip.com 651-447-7945
Goodwin, Kelley	Goodwin, Kelley C 6700 Freeport Blvd. Suite 204 Sacramento, CA 95822	Master Agreement, dated March 17, 2021 and Order Form	Compute North LLC	December 11, 2022	North Sioux City	<u>North Sioux City</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Ben Stoos ben.stoos@computenorth.com 712-223-9429
Harvey, Richard	Harvey, Richard 7266 Loma Verde Way Sacramento, CA 95822	Master Agreement, dated March 31, 2021 and Order Form	Compute North LLC	December 11, 2022	North Sioux City	<u>North Sioux City</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Ben Stoos ben.stoos@computenorth.com 712-223-9429
Hash Cash Mining LLC	Hash Cash Mining LLC Attn: Max Niederluecke 7575 Corporate Way Eden Prairie, MN 55344	Master Agreement, dated November 11, 2021 and Order Form	Compute North LLC	December 11, 2022	North Sioux City	<u>North Sioux City</u> James Stanton JStanton@foundrydigital.com 585-512-8908

Counterparty Name	Counterparty Notice Information	Contract	Debtor	Proposed Rejection Date	Facility Location of Customer Miners	Contact Party for the Operator of the Facility Location
						Ben Stoos ben.stoos@computenorth.com 712-223-9429
Haynes, James	Haynes, James 8930 Evanston Ave Kansas City, MO 64138	Master Agreement, dated April 20, 2020 and Order Forms	Compute North LLC	December 11, 2022	North Sioux City; Big Spring	<u>North Sioux City</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Ben Stoos ben.stoos@computenorth.com 712-223-9429 <u>Big Spring</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Angel Blanco ABlanco@foundrydigital.com 917-297-0080
Katoch, Sandeep	Sandeep Katoch 161 Bricknell Ln Coppell, TX 75019	Master Agreement, dated December 18, 2020 and Order Form	Compute North LLC	December 11, 2022	North Sioux City; Big Spring	<u>North Sioux City</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Ben Stoos ben.stoos@computenorth.com 712-223-9429 <u>Big Spring</u> James Stanton JStanton@foundrydigital.com 585-512-8908

Counterparty Name	Counterparty Notice Information	Contract	Debtor	Proposed Rejection Date	Facility Location of Customer Miners	Contact Party for the Operator of the Facility Location
						Angel Blanco ABlanco@foundrydigital.com 917-297-0080
Li, Phillip	Li, Phillip 493 Centre St. Milton, MA 02186	Master Agreement, dated August 24, 2021 and Order Forms	Compute North LLC	December 11, 2022	North Sioux City	<u>North Sioux City</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Ben Stoos ben.stoos@computenorth.com 712-223-9429
Morgan, Benjamin	Morgan, Benjamin 219 Stockbridge Ave Alhambra, CA 91801	Master Agreement, dated April 20, 2020 and Order Forms	Compute North LLC	December 11, 2022	Big Spring	<u>Big Spring</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Angel Blanco ABlanco@foundrydigital.com 917-297-0080
Moser, Thomas	Thomas Moser 1118 Earl Road Michigan City, IN 46360	Colocation Agreement, dated August 26, 2019 and Order Form	Compute North LLC	December 11, 2022	North Sioux City	<u>North Sioux City</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Ben Stoos ben.stoos@computenorth.com 712-223-9429
Niederluecke, Max	Niederluecke, Max 30 6th Ave N Hopkins, MN 55343	Master Agreement, dated January 20, 2022 and Order Form	Compute North LLC	December 11, 2022	North Sioux City	<u>North Sioux City</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Ben Stoos ben.stoos@computenorth.com 712-223-9429

Counterparty Name	Counterparty Notice Information	Contract	Debtor	Proposed Rejection Date	Facility Location of Customer Miners	Contact Party for the Operator of the Facility Location
Permian BTC JVCO LLC	Permian Btc Jvco, LLC 640 Taylor Street Fort Worth, TX 76102	Master Agreement, dated January 7, 2021 and Order Form	Compute North LLC	December 11, 2022	MVP Houston Warehouse; North Sioux City	<u>North Sioux City</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Ben Stoos ben.stoos@computenorth.com 712-223-9429 <u>MVP</u> Tim Langfield TimL@mvpsip.com 651-447-7945
Perrill, Jack	Perrill, Jack 1666 Isabella Pwky Chaska, MN 55318	Master Agreement, dated February 6, 2022 and Order Form	Compute North LLC	December 11, 2022	Big Spring	<u>Big Spring</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Angel Blanco ABlanco@foundrydigital.com 917-297-0080
Perrill, John	Perrill, John 1666 Isabella Pwky Chaska, MN 55318	Master Agreement, dated February 2, 2022 and Order Form	Compute North LLC	December 11, 2022	Big Spring	<u>Big Spring</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Angel Blanco ABlanco@foundrydigital.com 917-297-0080
Reyes, Elias Chavarria	Elias Chavarria Reyes 930 Cherry Glen Cir Fremont CA 94536	Master Agreement, dated February 24, 2021 and Order Form	Compute North LLC	December 11, 2022	Big Spring	<u>Big Spring</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Angel Blanco ABlanco@foundrydigital.com

Counterparty Name	Counterparty Notice Information	Contract	Debtor	Proposed Rejection Date	Facility Location of Customer Miners	Contact Party for the Operator of the Facility Location
						917-297-0080
Sebmedia	Sebastian Lang Forststr. 40/2 Gerstetten, BW, 89547, Germany	Order Form, dated December 20, 2021 and Sebastian Lang Colocation Agreement, dated December 5, 2018	Compute North LLC	December 11, 2022	Big Spring	<u>Big Spring</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Angel Blanco ABlanco@foundrydigital.com 917-297-0080
Weber, Ralph	Weber, Ralph Fritz-Schaeffer-Str26 Munich, Bavaria Germany	Colocation Agreement, dated March 28, 2019 and Order Form	Compute North LLC	December 11, 2022	North Sioux City	<u>North Sioux City</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Ben Stoos ben.stoos@computenorth.com 712-223-9429
Worm, Will	Worm, Will 648 Copper Ct Waconia, MN 55387	Master Agreement, dated February 10, 2022 and Order Form	Compute North LLC	December 11, 2022	Big Spring	<u>Big Spring</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Angel Blanco ABlanco@foundrydigital.com 917-297-0080
101 Mining Group LLC	101 Mining Group LLC Attn: Tim Ryan Fitzgerald 3802 Brookview Rd. Rockford, IL 61107	Master Agreement, dated July 29, 2022 and Order Forms	Compute North LLC	December 11, 2022	North Sioux City	<u>North Sioux City</u> James Stanton JStanton@foundrydigital.com 585-512-8908 Ben Stoos ben.stoos@computenorth.com 712-223-9429